

Message Text

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ACTION AID-10

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SP-01 NSC-07 NSCE-00 CIAE-00 INR-10 NSAE-00 RSC-01

SAM-01 NASA-01 PM-03 SCI-03 XMB-01 PRS-01 /066 W

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FM AMEMBASSY TANANARIVE

TO SECSTATE WASHDC 6401

S E C R E T TANANARIVE 0964

LIMDIS

E.O. 11652: GDS

TAGS: TSPA, EAID, MA, US

SUBJECT: NASA STATION AND AID RAILROAD LOAN NEGOTIATIONS

REFS: TANANARIVE'S 769 AND 854

BEGIN SUMMARY: IN TALK WITH GENERAL ANDRIAMAHAZO JULY 3 I LEARNED NASA STATION NEGOTIATIONS HELD UP IN JUNE BECAUSE HEAD GOVERNMENT GENERAL RAMANANTSOA FELT EARLIER INDICATED JUNE 30 DEADLINE FOR RAILROAD LOAN MIGHT REPRESENT "BLACKMAIL" TO FORCE AGREEMENT OUT OF GOMR. AFTER MY ASSURANCE AID FUNDS STILL AVAILABLE FOR RAILROAD LOAN, ANDRIAMAHAZO REQUESTED DRAFT PROPOSED AGREEMENT ON 3-YEAR EXTENSION OF NASA STATION, AND I HANDED HIM DRAFT TEXT. EMBASSY SEPARATELY PROCEEDING TO HAND DIRECTOR RAILWAYS DRAFT RAILROAD LOAN TEXT. I BELIEVE BOTH NEGOTIATIONS WILL NOW PROCEED, BUT, VIEW DEPTH OF MALAGASY SUSPICIONS AND SENSITIVITIES AND INTRAGOVERNMENTAL CONFLICT, WE MAY STILL HAVE DIFFICULTIES. END SUMMARY.

1. I CALLED ON MINISTER TERRITORIAL DEVELOPMENT GENERAL ANDRIAMAHAZO JULY 3 MAINLY FOR PURPOSE OF ASSURING HIM THAT AID FUNDS FOR PROPOSED RAILROAD LOAN WILL REMAIN AVAILABLE IN FY-75 (STATE 133288). SINCE I HAD PREVIOUSLY INDICATED TO HIM THAT THEY MIGHT NOT BE AVAILABLE FOR COMMITMENT BEYOND END FY-74, I

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WANTED BE SURE THERE WAS NO MISUNDERSTANDING ON THIS SCORE WITHIN

GOMR WHICH MIGHT ADVERSELY AFFECT CONTINUATION OF NASA STATION.

2. TO MY SURPRISE, AFTER I HAD PASSED ABOVE INFORMATION, ANDRIAMAHAZO THEN SAID HE WOULD LET ME IN ON SECRET. HEAD OF GOVERNMENT GENERAL RAMANANTSOA HAD DELIBERATELY HELD UP NASA STATION NEGOTIATIONS IN JUNE BECAUSE HE FELT MY EARLIER INDICATION OF JUNE 30 DEADLINE MIGHT REPRESENT BLACKMAIL PRESSURE ("CHANTAGE") TO FORCE AGREEMENT OUT OF GOMR. THIS THUS EXPLAINS DELAY IN RESUMPTION OF NEGOTIATIONS AFTER ANDRIAMAHAZO HAD INDICATED IN MY JUNE 5 MEETING WITH HIM THAT THEY WOULD PROCEED.

3. ANDRIAMAHAZO THEN ASKED WHETHER WE COULD PRESENT DRAFT OF PROPOSED 3-YEAR NASA STATION AGREEMENT. SINCE I WAS PREPARED FOR THIS EVENTUALITY, I PULLED OUT AND HANDED HIM DRAFT BASED ON TANANARIVE'S 436, AS CHANGED BY STATE 71416. I ALSO SAID I WOULD SEND HIM DRAFT SUPPLEMENTARY NOTE ON SURPLUS TELECOMMUNICATIONS EQUIPMENT (BASED ON STATE 72940).

4. HE READ QUICKLY THROUGH DRAFT I GAVE HIM, AND TESTED ME ON WHETHER WE COULD GO UP TO \$150,000 IN ANNUAL RENT AND MAKE IT RETROACTIVE TO 1972, YEAR WHEN PRESENT GOVERNMENT CAME INTO POWER. I DEMURRED FIRMLY ON BOTH THESE SCORES IN ACCORDANCE WITH INSTRUCTIONS, BUT, IN VIEW GOMR SUSPICIONS AND SENSITIVITIES TO PRESSURE (SEE PARA 2 ABOVE AND PARAS 6 AND 7 BELOW), TOOK PAINS TO ASSURE HIM THAT DRAFT IS OPEN TO DISCUSSION. HE INDICATED HE WOULD HAVE STUDY OF DRAFT INITIATED, BUT DOUBTED NEGOTIATIONS WOULD REALLY GET UNDER WAY AGAIN UNTIL RETURN OF SECRETARY GENERAL, MINISTRY OF TERRITORIAL DEVELOPMENT, AND DIRECTOR, POST AND TELECOMMUNICATIONS, ABOUT JULY 13 FROM UPU MEETING IN LAUSANNE. AS INDICATION OF INTRAGOVERNMENTAL STRUGGLE OVER NASA NEGOTIATIONS, HE SAID HE WOULD DATE-STAMP DRAFT AS RECEIVED JULY 6, DATE FONMIN RATSIRAKA SCHEDULED DEPART FOR LOS MEETING IN CARACAS.

5. I OFFERED INITIATE RAILROAD LOAN NEGOTIATIONS, AND WE AGREED EMBASSY ECONOMIC OFFICER WOULD PROVIDE DRAFT TEXT TO DIRECTOR RAILWAYS.

6. TWO OTHER MATTERS WHICH AROSE DURING TALK FURTHER SHOW DEPTH SENSITIVITIES AND SUSPICIONS OF MALAGASY OFFICIALS (IN BEST
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SOUTHEAST ASIAN TRADITION);

A.) FIRST THING ANDRIAMAHAZO SAID TO ME WAS TO EXPRESS SURPRISE OF RAMANANTSOA AND HIMSELF THAT WE WOULD ADVANCE AS CANDIDATE FOR MALAGASY MANAGER OF STATION INDIVIDUAL WHO DOES NOT EVEN HAVE ENGINEERING DEGREE. AT FIRST AT LOSS TO UNDERSTAND WHAT HE REFERRING TO, IT THEN CAME OUT THAT IT WAS TO MEMORANDUM I HAD LEFT WITH HIM IN JUNE 5 MEETING ON MALAGASY EMPLOYEE AT STATION WHO

HAD, AS RESULT SPECIAL TRAINING, EFFECTIVELY HANDLED STATION'S RESPONSIBILITIES IN SPECIAL WEATHER SATELLITE LAUNCHING IN MAY. I HAD GIVEN HIM THIS INFORMATION DURING DISCUSSION OF TRAINING SIMPLY AS EXAMPLE OF WHAT CAN BE ACHIEVED BY IT. HOWEVER, NOW CLEAR ANDRIAMAHAZO HAD TIED MEMORANDUM TO EARLIER PART OF TALK WHERE WE HAD DISCUSSED HIS CANDIDATE FOR MANAGER (ANOTHER EXISTING MALAGASY EMPLOYEE WITH ENGINEERING DEGREE) WHO HAS BEEN PUT FORTH BY MALAGASY SIDE BECAUSE HE IS COTIER RATHER THAN FROM HIGH PLATEAU, BUT ON WHOM I PRESENTED NASA STATION QUESTIONING OF HIS MANAGERIAL SUITABILITY BECAUSE OF PERSONALITY PROBLEMS. I MADE CLEAR THIS TIME TO ANDRIAMAHAZO WE HAD NO THOUGHT OF SUGGESTING AS MANAGER SUBJECT OF MEMORANDUM I HAD LEFT WITH HIM. HE THEN EXPRESSED TENTATIVE THINKING ABOUT SOME ALTERNATIVES, AND I ASSURED HIM WE WANT COLLABORATE CLOSELY WITH GOMR IN CHOICE OF FUTURE MANAGER. HOPEFULLY, THIS IS BACK ON TRACKS*

B.) IN CLOSING I NOTED TODAY'S PRESS REPORTS THAT RAILWAY ADMINISTRATION HAS TAKEN OVER ROAD TRANSPORT COMPANY IN SOUTHERN MADAGASCAR AND PLANS BUY NEW TRUCKS. I TOLD HIM WE WOULD BE HAPPY DISCUSS EXPORT-IMPORT BANK CREDIT WITH HIM FOR THIS PURPOSE. HE PROMPTLY CAME BACK, "WITHOUT CONDITIONS" (REFLECTING MALAGASY SENSITIVITY OVER LINKAGE ESTABLISHED BETWEEN RAILROAD LOAN AND NASA STATION EXTENSION).

7. I AM ALSO REMINDED THAT IN JUNE 5 TALK ANDRIAMAHAZO BROUGHT UP SUSPICION THAT FRENCH NOT REALLY REDUCING MILITARY PERSONNEL AT DIEGO-SUAREZ BASE AS AGREED. HE SAID THAT HE BECAME CONVINCED OF THIS AFTER INSPECTING VISA APPLICATION FILES AT MALAGASY EMBASSY IN PARIS DURING HIS VISIT IN MAY.

8. UNDER CIRCUMSTANCES I AM MORE THAN EVER CONVINCED WE WERE WISE NOT TO TIE OFFER OF CERTAIN NASA SURPLUS EQUIPMENT DISCUSSED TANANARIVE'S 927 AND 942 TO STATION EXTENSION.

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9. I BELIEVE NEGOTIATION OF BOTH NASA STATION AND RAILROAD LOAN AGREEMENTS WILL NOW PROCEED, BUT, IN VIEW OUR EXPERIENCES TO DATE AND THIS LAST REVEALING TALK WITH ANDRIAMAHAZO, WE MAY STILL HAVE SOME DIFFICULTIES.
MENDENHALL

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